A DECLARATION TO THE BANKS IN ROCHESTER MAKING LOANS TO SOUTH AFRICA

The violent death of Steven Biko and the increase of unprecedented repression in recent weeks underscores the futility of continuing to pour American loans and other investments into South Africa in the hope that such assistance will soften racism and bring about positive change in the condition of 18 million Blacks. The time has come for the government of the U.S. and American multinationals to disengage totally from South Africa and use every economic and diplomatic recourse to persuade the Vorster regime that American

\[ \text{Afican government, this in the post-Soweto period and as the De-} \]

\[ \text{fense Budget has steadily in-} \]

\[ \text{creased the draining of South Af-} \]

\[ \text{ican resources;} \]

\[ \text{c) provide the muscle for a deficit} \]

\[ \text{financing structure and;} \]

\[ \text{d) provide the political legitimation} \]

\[ \text{and sanctioning crt itical to South} \]

\[ \text{African existence.} \]

Therefore, we, the undersigned, are convinced that U.S. bank loans to South Africa, as one important source of investment capital, are not "neutral" nor meet "humanitarian" needs. After repeated conferences with the banks and repeated calls for them to cease loans to the South African government, we now embark upon a campaign for the withdrawal of accounts from Rochester banks whose corporate offices in New York City stubbornly refuse to stop financing racism and oppression. Those of us who have personal accounts will withdraw our funds from Citibank, Chase Manhattan and Manufacturers Hanover in Rochester and we will encourage others, and the institutions with which we are affiliated, to do the same. We will re-deposit our funds in Rochester banks which, according to the latest information from the American Committee on Africa, are not presently involved in large-scale South African investments.

We realize the complexity of the issue and our own indirect and involuntary complicity in the oppression of Black South Africans. Nor do we expect to force the banks to change their policies through economic measures alone. But we do intend to bring dramatically to their attention that there are thousands of Americans who differ with their policy and are willing to accept the slight inconvenience of changing a customary banking routine. This is a small cost compared with the suffering of our brothers and sisters under apartheid. This is an act of conscientious protest and we undertake it to counter the support South Africa feels it has from the United States and to demonstrate our personal commitment to freedom and justice for all people in South Africa.

[Signatures]

[Address for campaign]

[City]

[ZIP]
Church Leaders Warn Banks on S. Africa Deals

Forty-four local religious leaders are threatening to withdraw their organizations' money from three area banks unless those banks change their policies on investments in South Africa.

Some clergymen also were to meet with officials of Eastman Kodak Co. later today to discuss Kodak's investments in South Africa.

A letter signed by the church leaders was hand-delivered today to the offices of Manufacturers Hanover Trust Co., Citibank and Chase Manhattan Bank.

"We now embark on a campaign for the withdrawal of accounts from Rochester banks whose corporate headquarters in New York City stubbornly refuse to stop financing racism and apartheid," the letter said.

A representative of the Interfaith Center on Corporate Responsibility, a part of the National Council of Churches, and six local religious leaders were to meet later today with representatives of Kodak for an explanation of Kodak's position on the South Africa investments.

"It's not that we think Kodak is evil in Rochester," said Timothy Smith of the Interfaith Center this morning, "but that it wants to support racism in Africa. Unfortunately, that is the end result of their investment in South Africa.

Kodak's coordinator of international information services, Ian Guthrie, said today Kodak has only distribution and marketing operations in South Africa.
2 Boston firms and South Africa

First National Bank to limit loan terms

The First National Bank of Boston, the largest bank in New England, has decided to limit its "loan exposure in South Africa because of the political and economic situation there.

George B. Yurchyshyn, the First's vice president in charge of the Middle East and sub-Saharan Africa, said the bank "might be prepared to replace" its South African loans with other loans. More than half the bank's commitments in South Africa are due to be paid back within a year.

But, any new loans would be made

BANK
Continued from Page 1

last year. Concern has risen recently because of the Vorster regime's repressive measures.

The First decided to limit its loan exposure in South Africa earlier this year in the course of its regular annual study of loans to other countries. Since then, however, there have been no loans of any kind to South Africa.

Yurchyshyn said the bank was continuing to look at loan possibilities. "If General Electric needed a three-year loan for the sale of a generator to Johannesburg, we'd look at that," he said.

for only three years' duration, not the usual five years, because of the current South African situation, the banker told The Globe.

It is believed the First's loans to South Africa amount to $20 million to $30 million, including at least one loan to an agency of the South African government.

The First is only one of a number of major US banks limiting loan commitments to South Africa because of political instability since the riots in Soweto.

The decision to limit the First's exposure in South Africa, the bank executive said, was made on qualitative and quantitative considerations, according to methods suggested by the Federal Reserve Bank for international loans.

These guidelines "raised a question in our mind about the economic impact of the whole environment," he said in a telephone interview.

"It is very difficult for us to take a moralistic stance, because people feel strongly on both sides of the issue."

Yurchyshyn explained that the First had "some loans to government agencies, including the Iron and Steel Corp.

"South Africa is still considered to be a reasonable credit risk," the banker added.

The First also has an $80,000 investment, or 10 percent, in Standard Bank Factor Ltd., a factoring concern that is a subsidiary of a commercial bank in South Africa.

The First, however, has more of a loan exposure in other African nations like Gabon, according to Yurchyshyn.

The New England Merchants National Bank and the Shawmut Bank reported yesterday they have no loans to South Africa.

- ROBERT LENZNER
Survey shows South Africa's whites out of touch with black viewpoint

THE SUN
November 28, 1977

WGN halves commercials for South African coins

WGN-TV confirmed Tuesday it has stopped: \textit{for a commer-

cial reason} for Krugerrand, a one-ounce gold coin sold by the South African government as both an investment and an ornament.

"They had a contract and it expired and we did not renew it," said Harry Trigg, WGN general manager for television.

Ron Freund, executive director of the Clergy and Laity Concerned, said WLS-TV is the only major Chicago Television station still running Krugerrand commercials. WMAQ-TV and WBBM-TV have banned the commercials.

By Michael Zielenziger

The Continental and First National banks of Chicago are losing the accounts of five Christian church groups, totaling about $40,000, because they sell the Krugerrand gold coin and make loans in South Africa.

The groups, including the Association of Christian Priests and the United Methodist Church, Northern Illinois Conference, made the announce-
mement Wednesday at a press conference in Old St. Mary's Church, 55 E. Vane Buren.

"This section might be a drop in the bucket given the size of those banks," said Thomas Ventura, chairman of the Association of Christian Priests, "but it is something substantive we can do. We're trying to practice what we preach."

The groups are protesting economic aid given by the banks to South Africa, a nation that practices racial segregation and white-minority rule.

The church groups have focused the local campaign on the two banks because they are "large lenders to South Africa and major distributors of the Krugerrand in the Midwest," according to the Rev. Charles Dahm, who represents the Clergy and Laity Concerned and the Chicago Coalition on Southern Africa.

The other groups that pledged to withdraw funds from the banks are:

\begin{itemize}
  \item [•] Church Women United in Greater Chicago.
  \item [•] The National Council of Churches, which also called upon its 30 constituent denominations to withdraw funds from the banks.
\end{itemize}

By PETER A. RUSIN

Cape Town—There was more evidence here yesterday that Prime Mi-

nister John B. Vorster will lead his party in a surprising victory in parliamentary elections next week.

The same opinion polls suggest that such a victory by the National party will cause no sobering of the country's majority, the minority of 13 million blacks Africa's whites out of touch with black viewpoint.

In fact, a survey taken by a market re-

search company, Mark-Miller, offers vivid data that South Africa's racial relations have deteriorated sharply this year.

Some 63 percent of whites feel relations between the races are good, very good or average. Only 14 percent of the blacks agree with that.

And a whopping 74 percent of the blacks say the country's racial attitudes are very poor, another 28 percent hold it simply poor. The very poor mark is up by one point since last April.

Only 8 percent of whites thought relations were improving, the optimistic white who felt they were getting better was seven times that figure.

The great gap of opinion between the races goes on.

More than one-third of whites believe blacks are very or fairly satisfied with their status in the country. About 60 percent of whites thought they were not. But the initial awareness among whites for the black marked a turn. About 74 percent of the blacks insisted they were not satisfied and said the race didn't matter.

The conclusion of the survey is that whites are increasingly in the degree of frustration and suffering of the Africans.

The survey is hardly any surprise to a writer who talks to all groups in the coun-

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try. It is close to some sort of schizophrenia in the nation, however, to listen to a major part of whites—one, not women—proclaim closely that blacks really don't mind a near total system of segregation and discrim-

ination. The extent and intensity of white thinking is the undeniable factor, one that minority white parties like the Progressive Federal and Fas National withstands in their campaign.

Mr. Vorster and his National party seem sure of victory. But it seems to be certainly based on a deficiency on a scale unknown in this century.

November 28, 1977

Chicago Sun-Times, Wednesday, Dec. 7, 1977

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5 church groups in banking protest

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Bill Baldwin, a spokesman for the First National Bank, said:

"Any business, like a bank, operates overseas is a guest in that country, and we can't dictate policy or change it."

He characterized the South African government's policy as regressive and racist but added: "The problem of withdraw-

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Mr. Vorster and his National party seem sure of victory. But it seems to be certainly based on a deficiency on a scale unknown in this century.
Rip banks over S. Africa

By PHYLLIS HUDSON

Five religious organizations announced Wednesday the withdrawal of funds from First National and Continental Banks because of their financial ties to South Africa. "These withdrawals are part of a nationwide campaign," said Father Charles Dahm, who represented the Clergy and Laity Concerned and the Chicago Coalition on Southern Africa at a press conference at St. Mary's Church, 28 E. Van Buren. Father Dahm said the withdrawals represent thousands of dollars in funds but that the groups had agreed not to reveal the exact dollar amount. "We're not as concerned with the dollar amount as we are in the significance of our action," he said.

The groups making the withdrawals include the Association of Chicago Priests and the Church Women United in Greater Chicago, who have accounts with First National Bank; Chicago Disciples Union and the National Council of Churches, who have accounts with Continental Bank. The United Methodist Church, representing over 125,000 people in Illinois also announced plans to withdraw their funds from banks lending to South Africa.

Rev. Leon Riley of the Chicago Disciples Union said his group has a $7,000 account with Continental.

Father Dahm said the withdrawals are a result of a meeting held in April with representatives of the two banks. The groups asked the banks to stop making loans to South Africa and selling the Krugerrand, the South African gold coin.

"Our requests were denied so we decided to take further action," said Father Dahm.

"The adverse steps taken by the South African government can only lead us to conclude that the country is a less acceptable credit risk," said William J. McDonough, executive vice-president of First National. "As long as the present policies prevail we will reduce our loans to the government of South Africa."

However, the spokesman said the reduction would only be a small amount.

Father Dahm also said the groups are involved in a campaign to persuade local media networks not to advertise the Krugerrand.
COMMITTEE TO OPPOSE BANK LOANS TO SOUTH AFRICA

305 East 46th Street, New York, New York 10017 (212) 838-5030

AMERICAN BANKER

DECEMBER 16, 1977

CONT. ILLINOIS HALTS GOLD COIN SALES IN WAKE OF CHURCH PROTEST

MIDWESTERN EDITION

CHICAGO—The $1.1 billion-deposit Continental Illinois National Bank & Trust Co. of Chicago has suspended its local coin dealer's sale of gold coins, the counter and make sales solely to correspondent banks.

The sale of gold coins will cease on Jan. 1, because, a spokesman for the bank said, "it is unprofitable."

This move comes a week after five church groups in the Chicago area withdrew their accounts totaling about $50,000, from both Continental Illinois and the $1.5 billion-deposit First National Bank of Chicago, because of loan policies in South Africa and the sale of the Krugerrand.

A spokesman for the bank declined to comment on whether the bank's action was prompted by the pull-out of the funds by the groups. "At this time we stand on our statement," he said.

First National does not have plans at this time to restrict the sale of the Krugerrand, though it said sales have been "very modest."

The Republic National Bank of New York is one of the largest traders in gold coins, said that they had no plans whatsever to cut back on their over the counter or correspondent sales of any coins.

For three years, Continental Bank made the South African Krugerrand, the Mexican Libertad, and other gold coins available for purchase by the public. Because sales activity was chronically low, the service was not profitable and the sale of all gold coins at the gold teller window will be discontinued effective Jan. 1, 1978.

A bank spokesman said however, sales of the coins to correspondents will continue.

The Chicago bank declined to state what its teller volume on the coin sales has been but industry sources noted that "there are profits to be made on the correspondental side."

The move by the church group was in response to a resolution by the National Council of Churches that opposed, 159 to 0, to "undertake withdrawal of funds and divestment" in banks that have loans and investments in South Africa. The church resolution "urged" its membership to follow suit.

The five church groups involved in this withdrawal of funds include the Association of Chicago Priests, The Rev. Thomas Ventura, chairman of the association said that although the $50,000 that the groups collectively had withdrawn "may be a drop in the bucket, given the size of these groups, we felt we had a moral obligation to prove the conscience of the banks."

Ron Coleman, a spokesman for Continental Illinois said that although "we share with the groups a repugnance to apartheid, there is a difference in our approaches. In our judgment, economic disengagement would not contribute to the elimination of apartheid—and would tend to hurt the very people whom we both want to help."

William J. McDonough, head of international banking at First National repeated the bank's position on South Africa, that the country is a "less acceptable credit risk," and that "as long as the present policy prevails, we will refuse to do business with the government of South Africa and government controlled corporations." he said.

Bill Baldwin, spokesman for First National said it is the bank's policy not to discuss in detail its loan policy and declined to comment further on the loan reduction program.

The Krugerrand, said FBI, "is one of 43 coins that are available to collectors at the counter. At no time have we attempted to push the Krugerrand or even advertise it."

Chicago newspapers have been carrying extensive Krugerrand advertising in full-page ads apparently for pay by the South African government and which list local coin dealers also as sources for the coins.

"The banks," Father Coen of the Priests' Association said, "are using the straw man argument in their statements. The groups make good investments."

In New York, at the world office of the Church, a spokesman said, "We are continuing and stepping up pressure as a shareholder of Citibank. Manufacturers Hanover Trust Co., Continental Illinois and the First National Bank of Boston, which limited the terms of its loans South Africa from five to three years back in November. "We shall continue our policy of introducing shadow investments," Mr. Bartlett said. However, "we have not reached a decision at this time on whether we shall come out accounts with these banks. The board is in this third meeting to decide what exactly should be done in light of the National Council of Churches resolution."

Other organizations that have closed their accounts within the last few months with banks whose South Africa lending policies they have objected to include: the Joint Board of Trade and Machine Workers Union 199, the Drug and Hospital Workers Union; The Fiskers Joint Council of Churches, District 65 The United Electrical Union; the World Council of Churches; the National Conference of Christians and Jews and The Riverview Towers, a housing co-op.

The American Committee on Africa in New York is conducting a campaign to oppose banks that have investments in Africa. Chairman of the committee said that the group has opened offices in Chicago, San Francisco, Houston, Milwaukee, Madison, Minneapolis, Pittsburgh and Cleveland. The group serves as a central information center for other groups and organizations who oppose economic relations with South Africa.

So. African Defense Bonds

JOHANNESBURG.—Barclays National Bank, a subsidiary of the $14.8 billion-deposit Barclays Bank International, Ltd., will sell its South African defense bonds worth 10 million rand ($11.8 million)....

Robert Aldworth, managing director, said the bond, which is 6% owned by Barclays International, and has deposits of about $1.5 billion, "will not contribute to our good name and image," and that its earnings will be "very low."

He said that the bond was conveyed to the South African government as a means of repaying the bond's international business operations and to its obligations in terms of the South African Banks Act.